



CLIMATE
CHANGE
AUTHORITY

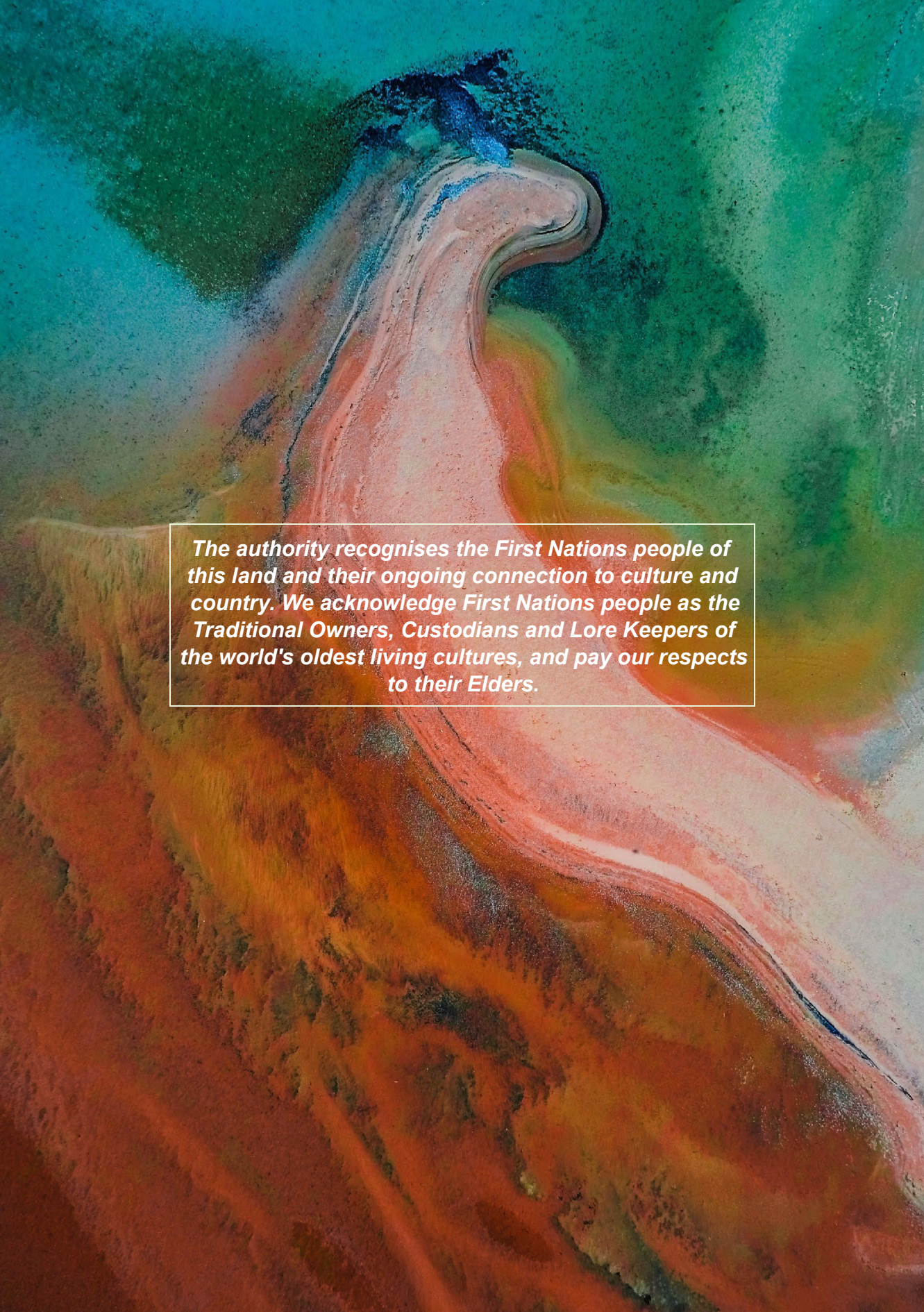
ANNUAL REPORT

2022-2023



Australian Government
Climate Change Authority

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The authority recognises the First Nations people of this land and their ongoing connection to culture and country. We acknowledge First Nations people as the Traditional Owners, Custodians and Lore Keepers of the world's oldest living cultures, and pay our respects to their Elders.

CLIMATE CHANGE AUTHORITY

THIS REPORT

The Climate Change Authority's annual report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013*.

The annual report is available in print from 14 libraries around Australia and online at www.climatechangeauthority.gov.au/aboutauthority/corporate-documents

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The Hon Chris Bowen MP
Minister for Climate Change and Energy
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to provide you with the Climate Change Authority's annual report for the financial year 2022-23.

The report has been prepared in accordance with section 81 of the *Climate Change Authority Act 2011* and all applicable obligations of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) including section 46 which requires that you table the report in Parliament.

The report includes the authority's annual performance statements and audited financial statements, as required by sections 39(1)(b) and 43(4) of the PGPA Act.

I certify that the authority has in place a fraud risk assessment and fraud control plan in accordance with section 10 of the *Public Governance, Performance and Accountability Rule 2014* and complies with the requirements of the Commonwealth Fraud Control Framework.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brad Archer', written over a light blue horizontal line.

Brad Archer
Chief Executive Officer

25 September 2023

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1. CHIEF EXECUTIVE OFFICER'S REVIEW

I am pleased to present the Climate Change Authority's annual report for 2022-23.

More than ever, climate change is at the forefront of global attention, as increases in temperature, extreme weather and other significant climatic events impact populations worldwide. At the same time, it is clear that global progress on emissions reduction is not adequate, and a significant acceleration of effort is needed in order to limit global warming in line with the objectives of the Paris Agreement.

In its recent Synthesis Report for its Sixth Assessment Report, the Intergovernmental Panel on Climate Change found that:

- Rapid and far-reaching transitions are necessary to achieve a liveable and sustainable future for all, and that choices and actions this decade will have impacts now and for thousands of years. Delaying mitigation and adaptation action would lock in high-emissions infrastructure, raise risks of stranded assets and higher costs, and increase losses and damage.
- The impacts of a changing climate are being increasingly felt in Australia, accompanied by growing need for climate adaptation. Australian land areas have warmed by around 1.4°C between about 1910 and 2020, and annual temperature changes have emerged above natural variability in all land regions. Heat extremes have increased, cold extremes have decreased, and these trends are projected to continue.

The federal government has taken major steps towards strengthening Australia's emissions reduction efforts. In June 2022, the government updated Australia's targets under the Paris Agreement to reflect the higher 2030 target of a 43 per cent reduction in emissions below 2005 levels, as well as net zero by 2050. The government subsequently enshrined these targets in the *Climate Change Act 2022* and progressed a range of policy measures over 2022-23, including reforms to the safeguard mechanism to ensure Australia's largest emitting industrial facilities contribute to emissions reductions.

It will take time for this increased level of policy ambition to have a significant impact on Australia's emissions, and much more still needs to be done. Achieving Australia's targets means immediately stepping up and sustaining a much higher rate of emissions reduction than achieved in the past decade.

The commencement of the Climate Change Act gave effect to the government's plans to enhance the role of the authority. The authority's new functions involve advising on Australia's emissions reduction targets under the Paris Agreement and providing advice each year to the Minister for Climate Change for the annual climate change statement, including advice on the effectiveness of the safeguard mechanism.

In 2022-23, the authority:

- provided advice for the Minister's first annual climate change statement, in the form of our [First Annual Progress Report 2022: The baseline, global context and methodology](#). The government accepted all of the authority's advice, including that the government develop a long-term emissions reduction strategy.
- released its self-initiated insights paper, entitled [Reduce, remove and store: The role of carbon sequestration in accelerating Australia's decarbonisation](#).
- published its [Review of International Offsets](#), responding to the special review terms of reference received from the then Government in February 2022.
- contributed submissions and other input to a broad range of climate-related initiatives, undertook consultation in a variety of forms, and participated in numerous forums.¹

¹ The authority also invested substantial effort in preparing to deliver on several major projects in the second half of 2023 and in 2024. Later this year, we will provide our annual progress report for the

To support our work program, in May 2023 we released our consultation paper, [Setting, Tracking and Achieving Australia's Emission Reduction Targets](#). We received over 300 submissions in response – these will provide information and insights that contribute to our 2023 and 2024 reports. We also held many consultation meetings here in Canberra and around Australia, and these will continue. The authority aims to consult as broadly as possible to ensure our advice is backed by the best available information and considers the full range of perspectives. This includes engaging directly with communities, industry stakeholders, non-government organisations, First Nations peoples, and a broad range of experts and research institutes.

The increased resourcing of the authority in the October 2022 budget has been integral to our ability to respond to our expanded responsibilities. Over the past year, we have substantially increased our workforce, targeting the building of essential internal capability across our key functional and corporate areas, so that we can operate more efficiently, independently and sustainably. Near the end of the financial year, we also moved to new premises in Canberra to accommodate our growth.

In September 2022, we welcomed Professor Lesley Hughes, Dr Virginia Marshall, and Ms Sam Mostyn AO as new members of the authority. This brought the authority up to its full complement of members, adding valuable expertise and perspectives, and assisting in delivering the authority's expanded functions.

I'd like to express my sincere thanks to the members and staff of the authority for their efforts in what has been a year of significant achievement, and a time of building strongly for the future.

Brad Archer



Chief Executive Officer



Minister's 2023 annual climate change statement, as well as complete and report on statutory reviews of the legislation implementing the Australian Carbon Credit Unit Scheme and the National Greenhouse and Energy Reporting Scheme. Next year, in addition to our 2024 annual progress report, we will provide advice on Australia's 2035 emissions reduction targets, and on sectoral technology transition and emissions pathways - a review recently commissioned by the Parliament to assist the government develop its net zero by 2050 plan.

2. MEMBERS OF THE CLIMATE CHANGE AUTHORITY



Grant King

Mr King was appointed as Chair of the authority on 9 April 2021 for a term of four years. He is currently the Chair of HSBC Bank Australia, Green Collar and Sydney Water, and a Fellow of the Australian Institute of Company Directors.

Mr King is a leading voice in the Environmental, Social and Governance (ESG) space. He is a Director of the Great Barrier Reef Foundation and the UNSW Foundation Limited and is Chair of the Melanoma Institute Australia. He previously chaired the Expert Panel on Low Cost Carbon Abatement Opportunities and the Hydrogen Hub Industry Assessment Panel. He previously chaired the Expert Panel on Low Cost Carbon Abatement Opportunities and the Hydrogen Hub Industry Assessment Panel.

Mr King was appointed President of the Business Council of Australia in 2016, a role he held until 2019. He was Managing Director of Origin Energy Ltd between 2000 and 2016, following its demerger from Boral, where he was Managing Director of Boral Energy between 1994 and 2000.

Mr King is a former Chair of CWP Renewables, Australia Pacific LNG, Contact Energy, Oil Company of Australia and the Energy Supply Association of Australia, and a former Director of BHP Billiton and the Australian Petroleum Exploration and Production Association of Australia.



Mark Lewis

Mr Lewis was appointed as a member of the authority on 1 April 2019 for a term of five years.

Mr Lewis has had a lifetime commitment to agriculture, growing up on farms in Central Queensland and later owning cattle and sheep properties in South West Queensland. Mr Lewis spent many years with the Veterinary Services Branch of QDPI in the channel country and later in northern Queensland. He subsequently joined the Natural Resource Management division of QDPI where he first became exposed to agricultural climate variability as part of the Risk Management and Drought program.

Mr Lewis has a Masters in Applied Science from UWS, and an Advanced Diploma in Management from the UWA. He joined the Dept. of Agriculture in WA in 1996 and was involved in sustainable rural development and industry development. Mr Lewis was elected a member of the Western Australia Parliament in 2013 and later became Minister for Agriculture and Food. He now sits on a number of government and private sector authorities and boards and provides corporate advisory services to a range of companies.



John McGee

Mr McGee was appointed as a member of the authority on 9 April 2021 for a term of four years. He has over thirty years' experience in the Australian and global capital markets and associated corporate sector. He has extensive experience across banking and finance, insurance, health and hospitals, aviation and air safety.

In his executive roles Mr McGee was Managing Director of BNY Mellon Australia Pty Ltd for nine years, heading up the Bank of New York's corporate trust operation in Australia. He was also a pioneer of the non-bank home loan sector. He has been a director of many subsidiaries and held responsible manager status on various ASIC and APRA licences. Mr McGee is currently a director on the Infrastructure Australia and the Sydney Local Health District boards. He has previously served as a non-executive director on various government and nongovernment boards including Deputy Chair of the Private Health Insurance Administrative Council, the federal regulator of all private health insurers, Air Services Australia, Westpac Funds Management (where he was chair of the audit and compliance committee) and Delhi Petroleum. Mr McGee holds formal qualifications in Economics and Law from Sydney University and has practised as a solicitor in Sydney and London.



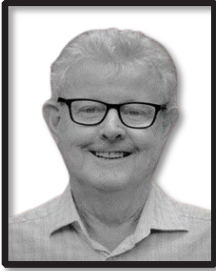
Susie Smith

Ms Smith was appointed as a member of the authority on 9 April 2021 for a term of four years. She brings executive and board experience in corporate strategy, climate change, and sustainability.

Ms Smith is passionate about science and its role in healthy, vibrant economies. She is active with the Australian Cooperative Research Centres as a Director, previously with CRC CARE and currently with the Future Energy Exports CRC, which is creating a living laboratory to implement decarbonisation energy pathways.

Ms Smith is a highly regarded climate change and sustainability specialist, contributing nationally and internationally. She was a member of the Australian expert panel examining low-cost abatement (2020), the IGU's group of experts on methane emissions, the Intergovernmental Panel on Climate Change taskforce meeting on fugitive emissions, the Global Reporting Initiative sustainability reporting guidelines for industry, the multinational leadership group for industry transition meetings, and the corporate emissions reduction transparency reporting reference panel. She is the Chief Executive of the Australian industry greenhouse network – a leading forum for discussion on key climate change issues, providing information and analysis in considering national and international policy and the role industry can play in the urgent transition to net zero emissions.

As a former dual Australian representative in water polo and swimming, Ms Smith also contributes to sports governance as a board member of the South Australian Cricket Association, and Water Polo Australia.



Dr Russell Reichelt AO

Dr Russell Reichelt AO FTSE has a PhD in marine science, and experience in ocean policy and environmental management. Since 2018, Dr Reichelt has been the Australian Sherpa for the High-Level Panel for a Sustainable Ocean Economy.

Dr Reichelt is also Chair of NSW Marine Estate Management Authority, Fellow of the Australian Academy of Technological Sciences and Engineering and Fellow of the UK Institute of Marine Engineering Science and Technology.

Dr Reichelt was Executive Chair of the Great Barrier Reef Marine Park Authority (GBRMPA) from 2007 to 2018. During this period GBRMPA developed a new model for environmental reporting and risk assessment for the threats such as coral bleaching and rising sea temperatures caused by greenhouse gases. The Outlook Report model was since adopted by Australian State of the Environment reporting. He previously served as CEO of the Australian Institute of Marine Science. In 2021 Dr Reichelt was awarded an Officer of the Order of Australia for his distinguished service to marine conservation, Great Barrier Reef ecosystem management, and climate change research.



Dr Virginia Marshall

Dr Marshall was appointed as a member of the authority on 15 September 2022 for a term of five years. She is the Inaugural Indigenous Postdoctoral Fellow with the Australian National University's School of Regulation and Global Governance (RegNet) and the Fenner School of Environment and Society.

She is a practising lawyer and duty solicitor, a former Associate & researcher with the Federal Court of Australia in Sydney and professional member of the NSW Law Society and Women Lawyers Association of

NSW. Former Senior Legal Officer of the Australian Law Reform Commission and inquiry into 'Family Violence & Commonwealth Laws: Improving Legal Frameworks' (ALRC 117), Executive Officer of the NSW Government's 'Aboriginal Water Trust' and criminal defence lawyer with NSW Legal Aid.

Dr Marshall is the winner of the WEH Stanner Award for the best thesis by an Indigenous author, titled, 'A web of Aboriginal water rights: Examining the competing Aboriginal claim for water property rights and interests in Australia'. Published as 'Overturning Aqua Nullius: Securing Aboriginal Water Rights' (2017) with the foreword by the Hon. Michael Kirby.

A lifetime member of the Golden Key International Honour Society and magistrate for the NSW Law Society's 'Mock Trial Competition'. She is in demand as a Keynote Speaker on Indigenous water law and governance, Indigenous traditional knowledge systems and the intersectionality of western intellectual property regimes and the Indigenous commercialisation of native foods and medicines.

Dr Marshall is Lead Chief Investigator (Lead CI) with an ARC Discovery Indigenous Grant (20222024), 'Barriers & Pathways to development of Indigenous traditional medicines' (\$1,014,000) to 'unlock the significant, untapped potential for Indigenous Australians to benefit from the development of their traditional medicines regulated by the Therapeutic Goods Administration.



Ms Sam Mostyn AO

Ms Mostyn AO was appointed as a member of the authority on 15 September 2022 for a term of five years. She is a businesswoman and sustainability adviser, with a long history of executive & governance roles across business, sport, climate change, the arts, policy, and NFP sectors.

Ms Mostyn serves on the board of Mirvac. She recently Chaired the

Women's Economic Equality Taskforce and currently Chairs the boards of Foundation for Young Australians, Australians Investing in Women, Ausfilm, ANROWS (the Australian National Research Organisation for Women's Safety), Aware Super and Alberts.

She also serves on the boards of the Centre for Policy Development, Tonic Media and Beyond Blue, is a member of the Ethics Advisory Groups for the National Gallery of Australia and for IAG, and is a Senior Associate of the Australian faculty of the Cambridge University Business & Sustainability Leadership Program.

Ms Mostyn was awarded an Officer of the Order of Australia in the 2021 Australia Day Honours for distinguished service to business and sustainability, and to the community, through seminal contributions to a range of organisations, and to women.



Professor Lesley Hughes

Professor Hughes was appointed as a member of the authority on 15 September 2022 for a term of five years. She is an academic ecologist and climate change scientist. She is the former Interim Executive Dean of the Faculty of Science & Engineering at Macquarie University. Her research has focused on the impacts of climate change on species and ecosystems.

Professor Hughes Professor Hughes is Professor Emerita and

ProChancellor at Macquarie University. She has been a Climate Councillor

with the Climate Council since 2013 and a director since 2021 and is also a member of the Wentworth Group of Concerned Scientists. She is a former Lead Author for the Intergovernmental Panel on Climate Change Fourth and Fifth Assessment Reports.

Other roles have included: Pro Vice-Chancellor (Research Integrity and Development at Macquarie University (2014-2022); Director of the Biodiversity Node, NSW Office of Environment & Heritage Climate Adaptation Research Hub; Commissioner in the Australian Government's Climate Commission (2011-2013); former Director WWF-Australia (2013-2021); Head of the Department of Biological Sciences at Macquarie University (2009-2011); Chair of the Tasmanian Climate Action Council (2012-2014); Co-director of the Climate Futures Research Centre at Macquarie University (2012-2014) and Co-convenor of the Terrestrial Biodiversity Adaptation Research Network for National Climate Change Adaptation Research Facility (2009-2013).



Dr Cathy Foley PSM (Ex Officio)

Dr Foley became Australia's ninth Chief Scientist in January 2021 after a lengthy career at Australia's national science agency, the CSIRO, where she was appointed as the agency's Chief Scientist in August 2018.

While working at CSIRO, Dr Foley made significant contributions to the understanding of nitride semiconductors and superconducting electronics.

Dr Foley and her team's most successful application is the LANDTEM sensor system used to locate valuable deposits of minerals deep underground, such as nickel sulphide, silver and gold.

Dr Foley's scientific excellence and influential leadership have been recognised with numerous awards and fellowships, including being elected to the Australian Academy of Science in 2020, being named an Officer in the Order of Australia in 2020 for service to research science and the advancement of women in physics, receiving the Clunies Ross Medal of the Australian Academy of Technological Science and Engineering in 2015, and receiving the Australian Institute of Physics Medal for Outstanding Service to Physics in 2016. She was elected as a Fellow of the Australian Academy of Technological Science and Engineering in 2008.

Dr Foley's previous roles include membership of the Prime Minister's Science, Engineering and Innovation Council, President of the Australian Institute of Physics, President of Science and Technology Australia, Editor-in-Chief of Superconductor Science and Technology journal, and a council member for Questacon.

Dr Foley is committed to helping Australia realise the transformative potential of critical technologies and meet the climate challenge. She is an inspiration to women in STEM across the globe and focused strongly on equality and diversity in the science sector.



3. ABOUT THE CLIMATE CHANGE AUTHORITY

Our Purpose

The authority's purpose is to provide evidence-based advice on the response to climate change, to:

- accelerate emissions reductions and position Australia as a leader in the global effort to limit temperature increases.
- guide Australia to new opportunities and new ways of doing things, to sustain Australia's prosperity as the world transitions to net zero emissions.
- help Australia prepare for and adapt to the impacts of climate change, which have already begun and will continue to increase.

Our Functions

The authority is established under the *Climate Change Authority Act 2011* (the CCA Act) and commenced operation on 1 July 2012. The authority is a non-corporate independent advisory body established to provide advice on climate change.

The authority's functions are set out in the CCA Act, and can be summarised as follows:

- providing advice on achieving Australia's emissions reduction targets and the effectiveness of climate change policies for the Ministers annual statement to the Parliament under the CCA Act.
- providing advice to the Minister, as required by the CCA Act, on emissions reductions targets to be included in Australia's Nationally Determined Contributions under the Paris Agreement.
- conducting reviews of the *Carbon Credits (Carbon Farming Initiative) Act 2011* (which creates the Australian Carbon Credit Unit Scheme) and the *National Greenhouse and Energy Reporting Act 2007* (which establishes both the National Greenhouse and Energy Reporting Scheme and the safeguard mechanism).
- conducting special reviews of matters relating to climate change as requested by the Minister or the Parliament.
- undertaking research into matters relating to climate change and other matters relating to the performance of our functions.

The authority's objective is to provide rigorous, independent advice to the Minister for Climate Change and Energy, and to assist the department and the Australian Parliament on climate change policy, in order to improve the quality of life for all Australians.

We strive to deliver on our purpose, functions and objective by:

- conducting and publishing robust and transparent reviews and research, taking a holistic and strategic approach.
- taking account of diverse perspectives by engaging with a wide range of contributors.
- partnering and collaborating with others, in the public and private sectors.
- Meeting our statutory obligations, including by completing statutory and special reviews on time.

As a result of the *Climate Change Act 2022*, the authority is increasing its focus on climate change impacts and adaptation. The Act requires the Minister's annual climate change statement to address risks to Australia from climate change impacts and also requires the authority, when providing advice on emissions reductions targets, to include advice on the physical impacts of climate change on Australia, including on rural and regional Australia.

Outcome and Program Structure

The Australian Government requires entities to measure their performance in terms of outcomes. Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs that contribute to government outcomes over the Budget and forward years.

The authority's outcome is described below, together with its related program. Performance against this program is assessed in Chapter 4.

Outcome 1 - Provide expert advice to the Australian Government on climate change initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research.

Program 1.1 - Reviewing climate change policies.

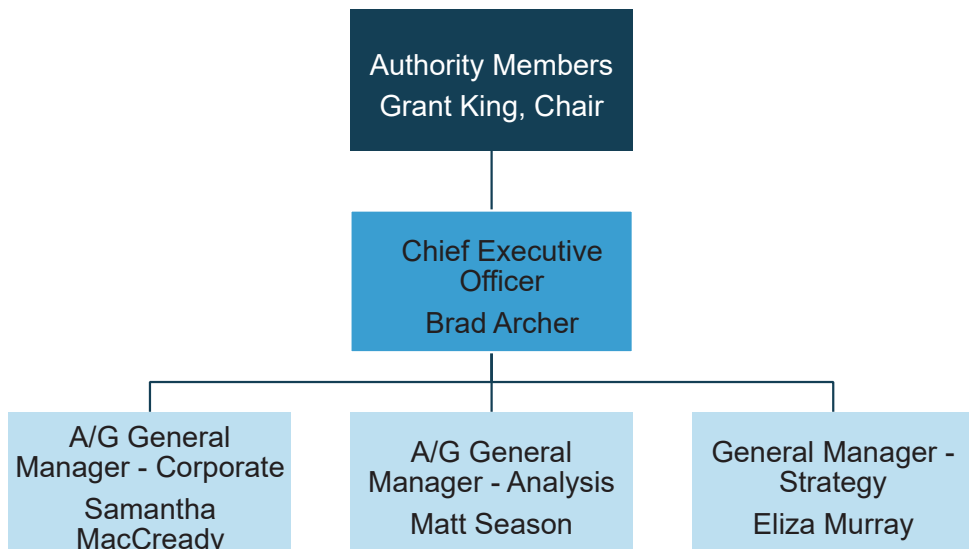
Organisational Structure

A fully constituted authority comprises a Chair and up to seven other members, plus an ex officio member - Australia's Chief Scientist. Members are appointed by the Minister responsible for climate change under section 18 of the CCA Act.

At the time of finalising this Annual Report, the authority has a full complement of members following the appointment of Professor Lesley Hughes, Dr Virginia Marshall and Ms Sam Mostyn AO in September 2022.

Authority members are supported by the CEO and authority staff. The CEO and accountable authority, Mr Brad Archer, was appointed on 1 April 2019 for a period of five years and is responsible for the day-to-day running of the authority.

The authority has established structures, systems and processes to meet its governance, compliance and accountability responsibilities (see Chapter 5).



4. ANNUAL PERFORMANCE STATEMENT

Introductory Statement

As the accountable authority of the Climate Change Authority, I am pleased to present the authority's 2022-23 annual performance statement, as required under s 39(1) (b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and s 16F of the *Public Governance, Performance and Accountability Rule 2014*. In my opinion, this performance statement is informed by properly maintained records, accurately reflects the authority's performance and complies with s 39(2) of the PGPA Act.

Brad Archer



Chief Executive Officer



Report on Performance

In accordance with the Climate Change, Energy, the Environment and Water October 2022-23 *Portfolio Budget Statements* and the authority's *Corporate Plan 2022-23*, the authority's performance in the last financial year has been assessed against the following Key Performance Indicators (KPIs):

- our research and review reports and the advice we give are relevant, timely and of high quality.
- our public consultation processes are based on the principles of transparency, accountability and accessibility.

The authority has fulfilled its role in providing independent and expert advice on climate change policy to the Australian Government and public over the past year. The authority has either met, partially met or is on track to meet all of the targets listed in the *Corporate Plan 2022-23* document for its activities.

The authority completed and published:

- the first annual progress report – which responds to the requirement in the Climate Change Act for the authority to provide advice for the Minister's annual climate change statement.
- the sequestration potential insights paper, a self-initiated piece of work.
- the review of international offsets (see the 2021-22 Annual Report for performance details).

The authority informs policy development and public discussions over a long timescale, concerning issues that are complex and often contentious. The authority has adopted a continuous improvement approach to its KPI framework to refine its methods of measuring success and communicating longer-term influence. Additionally, the authority is strengthening reporting against its KPI framework by using new data sources.



Activities and targets

Table 1 shows the relevant activities for this report listed in past corporate plan documents and the material published by the authority relevant to each activity. This report also includes a conclusion with information about which activities need further monitoring and revisiting in the *2022-23 Annual Report*.

Table 1 – Summary of activities from past Corporate Plan documents

Corporate Plan Document	Activities relevant to this report	Published material relevant to activity
Corporate Plan 2022-23	Annual statement advice: progress towards targets and on related policies	<ul style="list-style-type: none"> • <i>Annual Progress Report 2022</i>: reporting included in this Annual Report 2023 (Activity 1). • <i>Annual Progress Report 2023</i>: to be reported in Annual Report 2024
	Identify and undertake other selfinitiated research on climate change matters	<i>Reduce, remove and store: the role of carbon sequestration in accelerating Australia’s decarbonisation</i> : Reporting included in this Annual Report 2023 (Activity 2).
	Complete reviews of the Carbon Credits legislation and the National Greenhouse and Energy Reporting legislation by December 2023	To be reported in Annual Report 2024.
	Nationally Determined Contribution advice	To be reported in Annual Report 2025
	Other matters as requested by the government or the Parliament (Special Reviews)	<i>Review of International Offsets</i> : reported in Annual Report 2022

Each activity was assessed using the targets listed in the *Corporate Plan 2022-23* document. These targets were:

	Reviews and research reports and advice are provided by the due date.		Research and review reports and advice are relevant to the government and stakeholders of the day and influence the public debate on climate change policy.
	The authority’s analysis, findings and advice are communicated clearly and effectively.		Public consultation is comprehensive, representative and transparent.
	Reviews and research reports and advice draw on the best available knowledge and are informed by a broad range of perspectives.		Government considers the authority’s findings and recommendations in developing and implementing policy.

Authority performance against targets

The relevant activities to this report (listed in Table 2) and the authority's performance against the above targets are summarised in Table 2.

Table 2 – Summary of activities for the 2022-23 year and authority performance

Activity 1: Annual Progress report	Met	Partially met	On track	Not met	N/A
Reviews and research reports are provided by the due date	✓				
Research and review reports are relevant to the government and stakeholders of the day, and influence the public debate on climate change policy	✓				
The authority's analysis, findings and advice are communicated clearly and effectively	✓				
Public consultation is comprehensive, representative and transparent					✓
Reviews and research reports draw on the best available knowledge and are informed by a broad range of perspectives		✓			
The government considers the authority's findings and recommendations in developing and implementing policy	✓				
Activity 2: Reduce, remove and store: the role of carbon sequestration in accelerating Australia's decarbonisation	Met	Partially met	On track	Not met	N/A
Reviews and research reports are provided by the due date		✓			
Research and review reports are relevant to the government and stakeholders of the day, and influence the public debate on climate change policy	✓				
The authority's analysis, findings and advice are communicated clearly and effectively	✓				
Public consultation is comprehensive, representative and transparent	✓				
Reviews and research reports draw on the best available knowledge and are informed by a broad range of perspectives	✓				
The government considers the authority's findings and recommendations in developing and implementing policy					✓
COUNT	8	2	0	0	2

The authority's impact on public discussion: A visual summary

The visual summary on the following page (Table 3) shows data relevant to the assessment that the authority has been successful in impacting public discussions on climate change and climate change policy.

The authority is currently assessing ways in which to improve the KPI reporting and measurement. The Secretariat will look to improve our KPI tracking methods for the 2023-2024 financial year as we increase internal capability.²



² Due to changes in the authority's operating environment and machinery of government changes there is a data anomaly where the authority does not have access to tracking data. This impacts the months of January – April 2023.

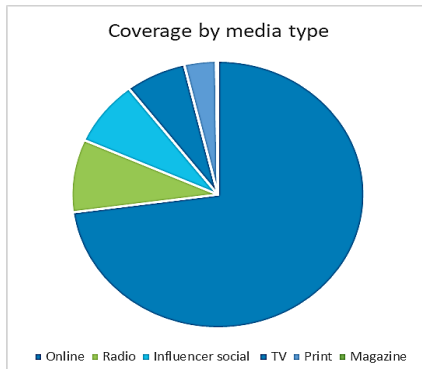
Table 3 – Dashboard summary

Online sources dominated mentions of the authority, followed by radio, influencers and TV.

Leading online news sources are The Canberra Times, The Guardian and The Queenslander.

The Australian and the *Australian Financial Review* are the leading print sources.

TV sources were dominated by news programmes on the Australian Broadcasting Corporation and *Sky News*, with some mentions identified in televised sittings of the Senate.

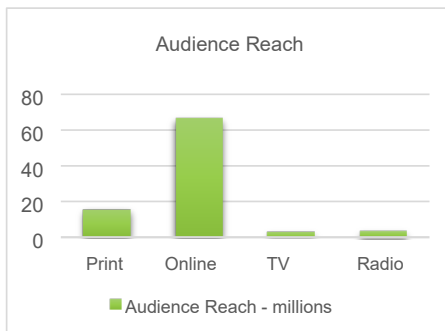


All identified media mentions. Chart contains data from all four financial quarters.

Authority mentions peaked around key publications and events.

A cumulative audience reach of up to 87 million was reached. Online sources potentially reached up to 66 million.

Mentions were high in September 2022, aligning with the announcement of the appointment of new members. Mentions peaked in April 2023 alongside the release of the Sequestration Insights paper.



Audience reach. Chart contains data from all four financial quarters.

Authority reports and papers have been downloaded thousands of times:

2022 Annual Progress Report 2,396 downloads

Reduce, Remove and Store – the role of carbon sequestration in accelerating Australia’s decarbonisation 1,106 downloads

International Offsets Review 2,943 downloads

TOTAL DOWNLOADS 14,167 downloads
Download numbers are as of 30 June 2023

Issues Paper: Setting, Tracking and Achieving Australia’s Emission Reduction Targets 1009 website clicks to consultation hub
5 LinkedIn post - 164 clicks
43 shares

Activity 1: Annual Progress Report 2022

The authority provided its first advice for the annual climate change statement and published this advice as its first annual progress report. The progress report set the baseline for tracking Australia's emissions and outlined the framework the authority intends to employ in future advice to the government for the annual climate change statement. The government accepted the advice in the authority's report.

Target: Reviews and research reports and advice are provided by the due date

Status: Met

The authority's advice for the 2022 annual climate statement, required by section 14 of the Climate Change Act 2022, was provided to the Minister on 11 November 2022. The report is entitled *First Annual Progress Report 2022: The baseline, global context and methodology*. The 2022 Annual Progress Report was the first set of advice that the authority provided for an annual climate change statement following the enactment of the Climate Change Act on 13 September 2022. The Minister requested the authority provide this advice by 11 November 2022 in correspondence sent on 9 September 2022.

Target: Research and review reports and advice are relevant to the government and stakeholders of the day, and influence the public debate on climate change policy

Status: Met

In this first edition of the Annual Progress Report the authority set a baseline for the current status of emissions reductions in Australia and presented the framework the authority intends to employ in future years to assess progress towards addressing climate change in Australia.



The primary purpose of the Annual Progress Report is to serve as advice to the Minister to inform preparation of the annual climate change statement. When announcing the 2022 annual climate change statement on 1 December 2022 the Minister had the following remarks on the authority's advice:

- *I am pleased to table the advice of the Authority today, as well as announce we accept their recommendations.*
- *In particular, the authority recommends that the government begin work on a plan to guide the nation's efforts towards achieving net zero, which we agree with and will prepare.*
- *The authority also points out that while the technology exists to meet our 2030 targets, there are significant labour market and supply chain challenges, as every country around the world strives to meet their targets. We agree.*

In the Annual Progress Report the authority noted that Australia had taken significant steps in the twelve months to June 2022, including adopting a net zero target and a more ambitious 2030 target, with the government legislating these and commencing implementation of its Powering Australia plan.

The authority applauded this progress but noted that much more work is required, advising that Australia needs to decarbonise at an average annual rate of 17 Mt CO₂-e to achieve its 2030 and 2050 targets, 40 per cent faster than it has since 2009. The authority also noted the growing intensity of climate change impacts means Australia also needs stronger adaptation and resilience efforts.

The government's annual climate change statement acknowledged these key messages and states that the government accepts the authority's advice. The Minister's [2022 Annual Climate Change Statement](#) is available on the Department of Climate Change, Energy, the Environment and Water (DCCEEW) website.

Target: The authority's analysis, findings and advice are communicated clearly and effectively

Status: Met

The 2022 Annual Progress Report sets out, in detail, the evidence for the authority's findings including a complete list of published information that the authority had relied upon and descriptions of its own analysis. Data that supported these analyses were released in a data pack that was published on the authority's website with the report.

The authority publishes its information in accordance with the government's style manual and ensures that content is accessible to various audiences.

Target: Public consultation is comprehensive, representative and transparent

Status: Not applicable

The requirement for the authority to prepare annual advice on a range of climate change matters to inform the annual climate change statement was first legislated in September 2022. The Minister requested that the authority provide its advice for the first annual climate change statement by 11 November 2022. This allowed two months for the authority to prepare its advice. Given the limited time available to prepare its 2022 advice, the authority did not undertake public consultation to inform the 2022 Annual Progress Report.

This approach was consistent with section 14 of the Climate Change Act, which states that the authority may make provision for public consultation in relation to considering its advice for the first annual climate change statements. The authority must make provision for public consultation when considering its advice for all future annual climate change statements.

Target: Reviews and research reports and advice draw on the best available knowledge and are informed by a broad range of perspectives

Status: Partially met

Target: Reviews and research reports and advice draw on the best available knowledge and are informed by a broad range of perspectives

In the time available to prepare the 2022 Annual Progress Report the authority undertook careful analysis and based its findings on published information. However, the authority was not able to undertake public consultation to inform this work and so did not have the benefit of the views and information that such a process can yield.

Target: Government considers the authority's findings and recommendations in developing and implementing policy

Status: Met

As documented above, the government accepted the authority's advice as published in the 2022 Annual Progress Report. This included committing to taking specific actions such as working on a plan for achieving net zero emissions.



Activity 2: Reduce, remove and store: the role of carbon sequestration in accelerating Australia's decarbonisation

The authority's self-initiated project on Australia's carbon sequestration potential was successfully concluded during the 2022-23 financial year. Both the CSIRO technical report and the authority's Insights Paper, published within the reporting period, have been widely reported on and cited in the media. Both reports continue to inform and stimulate public debate on the role of carbon sequestration in Australia's climate policy 'toolkit.' The authority continues to draw upon both reports in its advice to government.

Target: Reviews and research reports and advice are provided by the due date

Status: Partially Met

In April 2023 the authority released its self-initiated insights paper: 'Reduce, remove and store: The role of carbon sequestration in accelerating Australia's decarbonisation.'

This report was part of the self-initiated Sequestration Potential Project, undertaken over a period of around 21 months from October 2021 to June 2023. The project was a collaboration with the Clean Energy Regulator and engaged CSIRO to carry out research and complete technical reports.

The project consisted of three phases:

- CSIRO's technical report on sequestration technologies, published in December 2022
- a series of CSIRO-led technology workshops, completed with report set to be published by CSIRO in September 2023
- a policy "Insights Paper" authored by the authority, published in April 2023.

Due to a number of changes to timeline and scope, the reports that have been the main outputs of this project were delivered later than the dates originally planned, noting that the authority sets its own timelines for the completion of self-initiated research.

Target: Research and review reports and advice are relevant to the government and stakeholders of the day, and influence the public debate on climate change policy

Status: Met

Both the CSIRO technical report and the authority's Insights Paper have been widely reported on and cited in the media. Both reports continue to inform and stimulate public debate on the role of carbon sequestration in Australia's climate policy 'toolkit.' The authority continues to draw upon both reports in its advice to government.

Target: The authority's analysis, findings and advice are communicated clearly and effectively

Status: Met

The authority's Insights Paper on carbon sequestration set out the science underpinning sequestration and the policy implications of a range of approaches and enabling technologies. The Insights Paper communicated the authority's evidence-based analysis, findings and advice in a rigorous way in language that can be understood by readers without deep scientific or technical domain expertise. Webinars during the course of the project facilitated the presentation of findings and the elicitation of questions and comments from experts.

Target: Public consultation is comprehensive, representative and transparent**Status: Met**

This project was carried out utilising targeted consultation with a broad selection of technical and scientific experts, policymakers and industry experts. Engagement was carried out through a variety of mechanisms. These included: a webinar-format roundtable at which preliminary findings were presented and comments and questions sought. Phase 2 of the project included consultation with experts in a series of workshops which focused on how sequestration can be scaled up and its costs lowered. A Working Group consisting of staff from Geoscience Australia, the Clean Energy Regulator and DCCEEW ensured the technical accuracy and scientific rigour of the project was maintained at a high level.

Target: Reviews and research reports and advice draw on the best available knowledge and are informed by a broad range of perspectives**Status: Met**

The technical report and workshop report were completed by leading experts from across the CSIRO. A Working Group consisting of staff from Geoscience Australia, the Clean Energy Regulator and DCCEEW provided advice and review throughout the progress of the project, and ensured the technical accuracy and scientific rigour of the project was maintained at a high level. In addition, an external peer review of the Technical Report was undertaken by the Australian Academy of Science, drawing upon leading experts from across Australian scientific agencies and universities. This review brought an extra level of rigour and integrity to the project.

Target: Government considers the authority's findings and recommendations in developing and implementing policy**Status: N/A**

The government is aware of the Insights Paper and our understanding is that it has been well received. However, the government is not obliged to provide any formal response as this is a self initiated report by the authority.

Other activities

The authority has continued publishing its weekly newsletter, *On Good Authority*, over the last financial year. Every week, the newsletter briefly summarises several climate-related news stories covering policy, business and finance, science, and international issues. The creation of this newsletter assists the authority secretariat in keeping its knowledge current. It is not linked to the KPI framework, but there is evidence to show that it has been growing in influence.

On Good Authority subscribers have increased by 1,171 over the 2022-23 financial year, corresponding to a 149 per cent increase. (Figure 2).



Figure 2 – On Good Authority subscriber numbers over the 2022-23 financial year

5. MANAGEMENT AND ACCOUNTABILITY

Corporate Governance

The authority is a non-corporate independent advisory body created under Commonwealth legislation and reporting to the Minister for Climate Change and Energy. Its members are appointed by the Minister, and comprise the Chair, the Commonwealth Chief Scientist and up to seven other members.

The members are supported by a CEO and the authority's staff. The CEO is a statutory appointee and, as the accountable authority under finance law, is responsible for the day-to-day running of the authority. The staff of the authority are engaged under the *Public Service Act 1999* (PSA).

As a government agency, the authority's officials are subject to the PGPA Act and PSA. The authority is also subject to specific additional governance requirements under the CCA Act. As with other Commonwealth bodies where a significant degree of independence is required, the authority is subject to ministerial direction on general matters only, not on the conduct or content of its reviews.

The authority's CEO is responsible for its day-to-day administration. During 2022-23, the CEO was supported by the General Manager - Strategy Branch, General Manager – Analysis Branch, and General Manager – Corporate Branch. This group comprised the authority's executive management team and assisted the authority to deliver outcomes compliant with legal, financial and policy obligations.

The authority recently published its Corporate Plan for 2023-24. This plan, along with the governance, direction and compliance requirements of the PGPA Act and the PSA, provides the authority with a strong corporate governance environment.

Risk Management

The authority has a Risk Management Framework and policy to drive a positive risk management culture. We are accountable for our actions while adopting a 'no- blame' approach, where we all work together to manage risks and continuously improve in pursuit of the authority's objectives.

The framework complies with the requirements of the *Commonwealth Risk Management Policy 2023* and the PGPA Act. The Framework and Risk Management Policy are updated regularly and reviewed by the authority's Audit Committee. All staff are required to complete annual integrity training.

The strategic risk identification process begins with identifying risks that if realised would materially affect the organisation's ability to deliver on its objectives or functions. The authority's strategic risks are managed through a risk register and action plan which includes risk ratings, risk treatments and mitigation strategies. The executive management team discuss the authority's operating environment and the need for any changes in the authority's risk profile on a regular basis. The authority's risk management is subject to review by its Audit Committee.

Fraud Control

The authority's Fraud Control Plan complies with the requirements of the Commonwealth Fraud Control Policy and Resource Management Guide No. 201, Preventing, detecting and dealing with fraud.

The plan assists the authority to ensure that it has practices and processes in place to protect public money, information and property under the authority's control and which are in accordance with the PGPA Act. The Fraud Control Plan provides a framework for fraud prevention, detection, investigation and reporting of actual fraud, suspected fraud and the risk of fraud, to the CEO and Audit Committee.

The authority conducted a review of its fraud risks and formal risk assessment during the year, including consideration of control measures and risk treatments. There were no incidents of suspected or actual fraud during 2022-23.

Ethical Standards

The authority supports a culture of strong commitment to the Australian Public Service Values and Code of Conduct and ensures this is reflected in the authority's day-to-day work.

A key element of the authority's 2022-23 Corporate Plan is our guiding principles, which align to the Australian Public Service Values and Code of Conduct.

All new employees at the authority receive clear guidance about expectations in addition to being provided induction materials and awareness training. To maintain confidence in our integrity, the authority's has strict procedures to identify and properly manage any personal interests that may cause an actual or perceived conflict of interest.

Shared Services

As a small agency, the authority maintains agreements with other agencies for some corporate services. These services are performed on a fee-for-service basis. The arrangements are appropriate for the size of the authority and are consistent with the government's shared services agenda.

The Department of Industry, Science and Resources (DISR) has been the authority's shared services provider since early 2020, covering finance, payroll, human resources and legal services, and information technology systems and support. There were substantial changes to these arrangements resulting from the July 2022 Machinery of Government changes, which saw DCCEEW succeed DISR as the authority's portfolio department.

- ICT, protective security, learning & development system, and several other employee-related services are now being provided by DCCEEW.
- DISR is continuing to supply financial and payroll system management and support services.
- All other corporate services have been, or are being, transitioned back to the authority to be performed in-house.

The authority also works closely in specific areas with other government agencies, including participating in the Clean Energy Regulator's graduate program and partnering with the Bureau of Meteorology for the provision of climate science advice through a Strategic Relationship Agreement.

Audit Committee

The Audit Committee, established in accordance with section 45 of the PGPA Act and section 17 of the PGPA Rule, provides independent assurance, advice, support and assistance to the CEO on the appropriateness of the authority's financial and performance reporting, systems of risk oversight and management and system of internal control.

The authority's Audit Committee charter sets out the committee's role, authority, membership and functions, and its procedural, reporting and administrative arrangements. The charter is available on the authority's website at [https://www.climatechangeauthority.gov.au/Audit Committee Charter/](https://www.climatechangeauthority.gov.au/Audit_Committee_Charter/)

Member name	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Total annual remuneration (GST inc.)	Additional Information
Jo Schumann	<p>Jo Schumann has extensive experience in the public sector having worked in both the ACT and Commonwealth public sectors and for the Canadian Government. During her 30-year career, Ms Schumann held senior executive positions responsible for Corporate Services the Department of Veterans Affairs (1998-2009), Australian Competition and Consumer Commission (2010-2015) and Murray Darling Basin Authority (2015-2017). Ms Schumann's experience encompasses a broad range of areas including risk management, governance and assurance, finance, human resources, information technology, media and communications</p> <p>Ms Schumann holds a number of Board Chair and non-executive positions in the government and community sectors; she is currently the independent Chair of the authority's Audit Committee and Chairs the Audit Committee of the Office of the Australian Information Commissioner and is a member of the Clean Energy Regulator Audit Committee.</p> <p>Since 2017, Ms Schumann has run her own business as a qualified coach and mentor, providing training, coaching and facilitation services to middle level public servants and senior executives within the public sector. Ms Schumann has a Master of Arts (Urban Geography), is a graduate of the Australian Institute of Company of Directors and holds accreditations in executive coaching and emotional intelligence assessment.</p>	2/2	\$3,000	N/A

Darren Box	<p>Darren Box is highly experienced senior executive with over 30 years' experience spanning national social service to national security across the Commonwealth and United Kingdom. Darren has extensive financial management, organisational reform, Governance, and Audit experience, committed to driving organisational change and building capability. In November 2020 Darren Box Pty Ltd was established, a consulting business, with a focus on Management Consulting, Independent Assurance, Professional Coaching and Facilitation.</p> <p>Mr Box's formal qualifications include Bachelor of Business (ACC), Certified Practising Accountant (CPA) fellow and is a Level 2 Professional Organisational Coach.</p>	2/2	\$2,000	N/A
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<p>Craig Jordan</p>	<p>Craig Jordan has extensive experience in the public sector having worked in both the ACT and Commonwealth public sectors. His experience covers senior management roles in Government, Aviation, Telecommunications, and Fast Moving Consumer Goods.</p> <p>Mr Jordan has held senior executive and/or Chief Financial Officer positions across Transport Canberra and City Services (2017- 2022), Civil Aviation Safety Authority (2011-2016) and Therapeutic Goods Administration (2007-2011), and is currently the Executive Director Strategic Finance and Transformation for the Canberra Institute of Technology.</p> <p>Mr Jordan's formal qualifications include a Master of Business Administration (MBA), Certified Practising Accountant (CPA) and a Bachelor of Business (Accounting).</p> <p>Mr Jordan has a proven record in leadership, customer relationship management and business process reengineering. He has extensive experience in leading multi-disciplinary teams across finance, human resources and information technology, as well as extensive experience in developing financial management frameworks, financial planning and analysis, business cases, new policy proposals, risk management and finance system implementations.</p>	2/2	\$0	N/A
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Asset and Asset Management

The authority did not manage any assets that were depreciated in 2022-23. As at 30 June 2023, the authority was carrying \$44,903 in leasehold improvements, for the fit-out of new office accommodation that the authority will occupy towards the end of 2023.

All property, plant and equipment used by the authority is owned and maintained by a Memorandum of Understanding partner, DISR or DCCEE, and recorded in its asset register. An asset register is not maintained by the authority apart from a list of minor portable and attractive items.

External Scrutiny

During 2022-23:

- No judicial, administrative tribunal or Australian Information Commissioner decisions relating to the authority were handed down that had, or may have had, a significant effect on the authority's operations.
- There were no reports by the Auditor-General on the operations of the authority, other than the report under section 43 of the PGPA Act which deals with the Auditor-General's audit of the annual financial statements contained at Appendix A.
- There were no agency capability reviews or reports on the operations of the authority conducted by a Parliamentary Committee or the Commonwealth Ombudsman.
- The authority appeared before the Senate Standing Committees on Environment and Communications for Senate Budget and Additional Estimates and before the Senate Environment and Communications Legislation Committee for the Climate Change Bill 2022 and Climate Change (Consequential Amendments) Bill 2022.

Freedom of Information

The authority is subject to the *Freedom of Information Act 1982* (FOI Act) and is required to publish information available to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. A plan detailing the information the authority publishes in accordance with the scheme can be found at

<https://www.climatechangeauthority.gov.au/aboutauthority/information-publication-scheme>.

Ecologically Sustainable Development and Environment Performance

The authority is committed to implementing ecologically sustainable practices in its operations where practical under section 516A of the *Environment Protection and Biodiversity Conservation Act 1991* given the authority's size and limited opportunities to contribute.

The authority contributes to reducing its impact from its activities and administration on the environment through:

- providing downloadable publications on the authority's website to reduce the need to print and distribute hard-copy material;
- purchasing paper and business cards with 100 per cent Australian recycled content;
- minimising paper usage through electronic record keeping.

Australian Public Service Net Zero 2030

APS Net Zero 2030 is the government's policy for the APS to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on its emissions. As part of this, non-corporate and corporate Commonwealth entities are required to report on their operational greenhouse gas emissions.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2022–23 period. Results are presented on the basis of Carbon Dioxide Equivalent (CO₂-e) emissions. Greenhouse gas emissions reporting has been developed with methodology that is consistent with the Whole-of-Australian Government approach as part of the APS Net Zero 2030 policy. Not all data sources were available at the time of the report and adjustments to baseline data may be required in future reports.

Emission Source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity <i>(Location-Based Method)</i>	N/A	2,677	220	2,897
Natural Gas	-	N/A		-
Fleet Vehicles	-	N/A		-
Domestic Flights	N/A	N/A	2,505	2,505
Other Energy	-	N/A	-	-
Total kg CO₂-e	-	2,677	2,725	5,402



Financial Overview

Financial Performance

For the year ended 30 June 2023, the overall financial result for the authority is an operating surplus of \$416,000.

Expenses for the authority are predominantly related to employee benefits which accounted for a total of 65% of total expenditure.

The remaining expenses relate to suppliers including consultancy services to engage experts to assist with technical research and analysis, contracted services for labour hire and the provision of corporate services by shared service providers under MoU arrangements.

The authority received its funding for the 2022-23 financial year through direct appropriations with additional funding of \$100,000 received from the Clean Energy Regulator for costs associated with the undertaking the Sequestration Project.

The authority met all of its financial obligations during the 2022-23 financial year.

RESOURCE STATEMENT

	Actual Available appropriation - current year (a)	Payments made (b)	Balance remaining ³ (a)-(b)
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Ordinary annual services			
Prior year appropriations available	1,395	1,395	-
Departmental appropriation ⁴	8,465	4,759	3,706
Departmental equity injection ⁵	1,690	-	1,690
S74 retained revenue receipts ⁶	100	100	-
Total departmental resourcing and payments	11,650	6,254	5,396

³ Remaining balance will be applied to meeting the future settlement of current period expenses and provisions.

⁴ *Appropriation Act (No. 1) 2022-23*

⁵ *Appropriation Act (No. 2) 2022-23*

⁶ Receipts received under s.74 of the PGPA Act

Purchasing

The authority sourced all goods and services in 2022-23 in accordance with the PGPA Act, the Commonwealth Procurement Rules, and relevant internal policies.

The authority's approach to purchasing and procurement is directed by the Commonwealth Procurement Rules. The principles in the rules are reflected in the Accountable Authority Instructions and supporting operational guidance material, which are reviewed on a regular basis for consistency with the Commonwealth Procurement Framework.

The authority's policy outlines the core principle underlining procurement as value for money, which is enhanced by:

- encouraging competition by ensuring non-discrimination in procurement and competitive procurement processes.
- commitment to procuring from First Nation businesses.
- promoting the use of resources in an efficient, effective, and ethical manner.
- making decisions in an accountable and transparent manner.
- supporting and promoting sustainable procurement practices.

The authority in 2022-23 did not enter into any contracts or standing offers that were exempt from being published on AusTender.

Small Business

The authority supports small business participation in the Australian Government procurement market. Small and Medium Enterprises and Small Enterprise participation statistics are available on the Department of Finance's website:

<https://www.finance.gov.au/government/procurement/statisticsaustralian-government-procurement-contracts->

The authority encourages increased participation by small and medium enterprises in its procurement activities by:

- communicating in clear, simple language and presenting information in accessible formats.
- facilitating on-time payments by the use of electronic finance systems and the use of payment cards where appropriate.
- Australian Industry Participation plans in whole-of-government procurement where applicable.
- the Small Business Engagement Principles (outlined in the government's Industry Innovation and Competitiveness Agenda), such as communicating in clear, simple language and presenting information in an accessible format.
- utilising the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000.

Grant Programmes

The authority did not administer any grant programs in 2022-23.

Advertising and Marketing

The authority conducted no advertising campaigns or undertook any market research activities in 2022-23.

Legal Services Expenditure

Legal services expenditure by the authority during 2022-23 amounted to \$32,371 and related to one legal matter.

Consultancies

During 2022-23, two new reportable consultancy contracts were entered into involving expenditure of \$138,672. In addition, one ongoing reportable consultancy contract was active during the period, involving expenditure of \$200,000. Decisions to engage consultants during 2022-23 were made in accordance with the PGPA Act and related regulations including the Commonwealth Procurement Rules and relevant internal policies.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.

The authority selects consultants using panel arrangements or by making an open approach to market. The authority engages consultants when it requires specialist expertise not available within the entity on media advisory services, climate science advice, technical research, strategic and business planning, and graphic design work.

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.

Expenditure on Reportable Consultancy Contracts Current Report Period (2022-23)

Reportable consultancy contracts	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	2	139
Ongoing contracts entered into during a previous reporting period	1	200
Total	3	339

Expenditure on Reportable Non-Consultancy Contracts Current Report Period (2022-23)

Reportable non-consultancy contracts	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	20	692
Ongoing contracts entered into during a previous reporting period	6	174
Total	26	866

Organisations Receiving a Share of Reportable Consultancy Contract Expenditure Current Report Period (2022-23)

Name of Organisation	Organisation ABN	Expenditure \$'000 (GST inc.)
CSIRO	41 687 119 230	200
Iceni Group Pty Ltd	50 607 624 304	79
Synergy Group Australia Pty Ltd	65 119 369 827	60

Organisations Receiving a Share of Reportable Non-Consultancy Contract Expenditure Current Report Period (2022-23)

Name of Organisation	Organisation ABN	Expenditure \$'000 (GST inc.)
CSIRO	41 687 119 230	395
Hudson Global Resources Pty Ltd	21 002 888 762	81
Murawin Pty Ltd	91 167 803 830	81
Horizon One Recruitment Pty Ltd	98 129 885 838	59
Elliott Gray	17 618 093 422	53
Mountain Media Pty Ltd	61 129 822 859	52

Human Resource Management

Remuneration for Chief Executive Officer and Senior Executive Service

The CEO is a principal executive office-holder, as defined in the *Remuneration Tribunal Act 1973*. The office-holder's remuneration is set by the Remuneration Tribunal.

Details of Chief Executive Officer remuneration are provided at Note 4.3, Appendix B.

There is one substantive Senior Executive Service (SES) officer employed under an individual common law contract under the PSA and two acting Senior Executive Service officers employed at the authority as at 30 June 2023.

Remuneration for Authority Chair and Members

The remuneration of the authority Chair and members is governed by section 25 of the CCA Act and the Remuneration Tribunal.

Authority members, excluding the Chief Scientist as an ex officio member, receive an annual salary.

The below table shows remuneration levels of the authority Chair and members as at 30 June 2023.

MEMBER STATUS	BASE SALARY – ANNUAL	DAILY FEES
Chair	\$62,660	-
Members	\$31,330	-
Associate Member	-	\$901

Employment Arrangements

Upon establishment, the then CEO of the authority made a determination under subsection 24(1) of the PSA stating that all non-SES authority staff were to be employed under the conditions of the Department of Climate Change and Energy Efficiency Enterprise Agreement 2011–2014. This arrangement continued throughout 2022-23.

In 2022-23, there were 17 non-SES staff members employed on an individual flexibility arrangement.

The authority does not offer performance pay and no employee of the authority was employed under performance-based remuneration conditions in 2022-23.

Classification	Minimum Salary	Maximum Salary
EL 2	117,369	154,853
EL 1	98,320	125,259
APS 6	79,885	94,633
APS 5	73,125	78,349
APS 4	66,980	71,896

The authority does not offer performance pay and no employee of the authority was employed under performance-based remuneration conditions in 2022-23.

Staffing Statistics

At 30 June 2023, the authority had a headcount of 62 staff members. Tables provided in Appendix C provide a comparison of the authority's ongoing and non-ongoing staffing profile as at 30 June 2022 and 30 June 2023.

Performance Management

The authority supports building and maintaining an organisational culture that values sustained performance, as well as the development of the skills and overall capability of authority staff.

The authority's Performance Development Framework supports staff's individual skills development and career planning to improve performance and contribution to authority outcomes.

All employees participate in the authority's performance development framework and gain the following from the program:

- clarifies individual employees' understanding of their work tasks, their responsibilities and the performance standards expected (through individual performance agreements).
- provides feedback on performance and improve communication between supervisors and their staff (through individual performance appraisals and regular ongoing feedback).
- provides a basis for determining salary advancement.
- identifies learning and development needs.
- provides a framework for career planning.
- identifies and manage instances of underperformance.

Learning and Development

The authority encourages employees to undertake learning and development to build up competencies relevant to their roles. Support provided for learning and development includes the costs and time to: attend training courses and conferences; undertake formal qualifications, coaching and mentoring; and gain professional memberships.

The authority's study assistance policy provides financial and leave assistance to its staff enrolled in study or training that is relevant to the operational needs of the authority. Each staff member has the opportunity to identify and access appropriate training through the organisation's learning and development platform.

Work Health and Safety

The authority is committed to meeting its responsibilities under the *Work Health and Safety Act 2011* and providing a safe and healthy workplace for all employees and contractors.

The authority in 2022-23 continued to contribute to and maintain the health, safety, and wellbeing of the authority's workforce through:

- access to funded flu vaccinations.
- implementing ongoing flexible working arrangements.
- provision of appropriate ergonomic equipment as required.
- maintaining video-conferencing capability and regular team meetings to promote and maintain connectivity between the Executive Committee and employees to support ongoing flexible home-based work arrangements.
- access to an Employee Assistance Program and other internal wellbeing and support programs and resources.
- a Workplace Health and Safety (WHS) representative, first aid officer and fire warden.
- reviewing the authority's WHS system, including documentation and governance arrangements.

There were no notifiable incidents and no formal work health and safety investigations were conducted during the year. No notices under Part 10 of the *Work Health and Safety Act 2011* were given to the authority during 2022-23.

During 2022-23 there were no claims for injury and one return-to-work program conducted.

COVID-19 and infections conditions response

The authority is developing WHS material to manage the hazards associated with Covid-19 and other infections conditions.

The authority is guided by advice received from the Department of Health and Aged Care, the Australian Public Service Commission (APSC) and DCCEEW as our shared service provider.

The authority follows social distancing and public health guidelines across all areas of its operations.

The authority supports a flexible workplace where staff who are unwell or who are caring for a family member are able either to work from home or to take leave as required.

Employee Assistance Program

The authority is able to provide, through its shared service arrangements, its employees with independent, confidential and professional counselling, consultation and training assistance for work-related or personal issues.

Workplace Diversity

The authority is committed to fostering an inclusive environment that supports employees achieving their full potential, accepts and celebrates individual's differences and values employee diversity.

The authority's inclusive culture is reflected in our practices and embedded into our enterprise agreement and related policies. The authority is continuously improving and developing strategies and policies to ensure they are accessible, inclusive and promote a safe, respectful and supportive workplace.

Disability Reporting

The government's Australia's Disability Strategy 2021-2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The Strategy sets out where practical changes will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers. All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy. A range of government reports on progress against the Strategy's actions and outcome areas will be published and available at <https://www.disabilitygateway.gov.au/ads>.

Disability reporting is included the APSC's State of the Service reports and the APS Statistical Bulletin. These reports are available at <http://www.apsc.gov.au>.

Reflect Reconciliation Action Plan

The authority recognises the significant contribution Aboriginal and Torres Strait Islander peoples make to Australia's culture and heritage.

The authority values the unique relationship Aboriginal and Torres Strait Islander peoples have with the environment and their cultural obligation to care for country, the sea and waterways and acknowledge the role that reconciliation efforts can play in developing meaningful mitigation and adaptation policies in response to a changing climate.

In climate change policy, as in other areas, the voice of our First Nations peoples are critical. With respect to our work program, we continue to seek to ensure that the research and reviews we undertake and policy advice we provide align with reconciliation efforts, and incorporate Aboriginal and Torres Strait Islander priorities, knowledge and cultural considerations.

A number of initiatives and continued with the authority following the launch of the authority's Reconciliation Action Plan (RAP) in 2020-21 which is updated annually:

- the RAP Working Group continues to meet to steer the implementation and update of the RAP.
- the CEO has assumed the role of RAP champion, to reinforce our commitment and guide our contribution to reconciliation.
- all staff completed cultural awareness training.
- promoted National Reconciliation Week and National Aborigines and Islanders Day Observance Committee Week.
- embed the Commonwealth Indigenous Procurement Policy into the authority's Procurement Policy.

The authority's RAP includes key actions to be implemented and strategies for how in the workplace we can better understand, value and engage Aboriginal and Torres Strait Islander perspectives, knowledge and cultures and foster a highly inclusive workplace and strengthen cultural capabilities. These elements are being taken into consideration on an ongoing basis as the authority reviews its policies and procedures.

There is more that we can do. The authority will keep working on the RAP to the end of 2022. Due to staff turnover and limited resources, we have not been able to achieve all of our goals. As the authority grows, in line with the government's commitment to restore the authority, we will continue to engage in the reconciliation process, including further RAPs.

APPENDIX A: AUDITED 2022-23 FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Climate Change and Energy

Opinion

In my opinion, the financial statements of the Climate Change Authority (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Accountable Authority and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Bradley Medina
Executive Director
Delegate of the Auditor-General

Canberra
20 September 2023



Australian Government
Climate Change Authority

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND THE CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Climate Change Authority will be able to pay its debts as and when they fall due.

Handwritten signature of Brad Archer in black ink.

Brad Archer
Chief Executive Officer

20 September 2023

Handwritten signature of Samantha MacCready in black ink.

Samantha MacCready
Chief Finance Officer

20 September 2023

Statement of Comprehensive Income
for the period ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	5,504	1,864	6,631
Suppliers	1.1B	2,882	1,231	1,934
Total expenses		8,386	3,095	8,465
Own-source revenue				
Payments from Australian Government Entities	1.2A	100	500	-
Other revenue	1.2B	237	168	-
Total own-source revenue		337	668	-
Net cost of services		(8,049)	(2,427)	(8,465)
Revenue from Government (Departmental Appropriation)	1.2C	8,465	2,584	8,465
Surplus/(Deficit) attributable to the Australian Government		416	157	-
Total comprehensive income/(loss) attributable to the Australian Government		416	157	-

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position*for the period ended 30 June 2023*

	Notes	2023 \$'000	2022 \$'000	Original Budget \$'000
ASSETS				
Financial Assets				
Cash and cash equivalents	2.1A	343	66	66
Trade and other receivables	2.1B	6,160	1,432	1,432
Total financial assets		6,503	1,498	1,498
Non-Financial assets				
Leasehold improvements	2.2A	45	-	1,690
Prepayments	2.2B	13	12	12
Total non-financial assets		58	12	1,702
Total Assets		6,561	1,510	3,200
LIABILITIES				
Payables				
Suppliers	2.3A	1,318	241	241
Other payables	2.3B	845	125	125
Total payables		2,163	366	366
Provisions				
Employee provisions	4.1	1,591	443	443
Total provisions		1,591	443	443
Total liabilities		3,754	809	809
Net Assets		2,807	701	2,391
EQUITY				
Contributed equity		2,778	1,088	2,778
Retained surplus/(Accumulated deficit)		29	(387)	(387)
Total Equity		2,807	701	2,391

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity*for the period ended 30 June 2023*

	Notes	2023 \$'000	2022 \$'000	Original Budget \$'000
CONTRIBUTED EQUITY				
Opening balance				
Balance carried forward from previous period		1,088	1,087	1,088
Adjustment for errors		-	1	-
Adjusted opening balance		1,088	1,088	1,088
Transactions with owners				
Contributions by owners				
Equity injection - Appropriations		1,690	-	1,690
Total transactions with owners		1,690	-	1,690
Closing balance as at 30 June		2,778	1,088	2,778
RETAINED EARNINGS				
Opening balance				
Balance carried forward from previous period		(387)	(544)	(387)
Adjusted opening balance		(387)	(544)	(387)
Comprehensive income				
Surplus/(Deficit) for the period		416	157	-
Total comprehensive income		416	157	-
Closing balance as at 30 June		29	(387)	(387)
TOTAL EQUITY				
Opening balance				
Balance carried forward from previous period		701	543	701
Adjustment for errors		-	1	-
Adjusted opening balance		701	544	701
Comprehensive income				
Surplus/(Deficit) for the period		416	157	-
Total comprehensive income		416	157	-
Transactions with owners				
Contributions by owners				
Equity injection - Appropriations		1,690	-	1,690
Total transactions with owners		1,690	-	1,690
Closing balance as at 30 June		2,807	701	2,391

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement*for the period ended 30 June 2023*

	Notes	2023 \$'000	2022 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		6,274	2,269	8,465
Receipts from Australian Government Entities		257	500	-
GST received		78	85	-
Other		1	-	-
Total cash received		<u>6,610</u>	<u>2,854</u>	<u>8,465</u>
Cash used				
Employees		5,058	1,702	6,631
Suppliers		1,275	1,169	1,834
Total cash used		<u>6,333</u>	<u>2,871</u>	<u>8,465</u>
Net cash from/(used by) operating activities		<u>277</u>	<u>(17)</u>	<u>-</u>
INVESTING ACTIVITIES				
Cash used				
Purchase of Leasehold Improvement		-	-	1,690
Total cash used		<u>-</u>	<u>-</u>	<u>1,690</u>
Net cash from/(used by) investing activities		<u>-</u>	<u>-</u>	<u>1,690</u>
FINANCING ACTIVITIES				
Cash received				
Contributed equity		-	-	1,690
Total cash received		<u>-</u>	<u>-</u>	<u>1,690</u>
Net cash from/(used by) financing activities		<u>-</u>	<u>-</u>	<u>1,690</u>
Net increase/(decrease) in cash held		277	(17)	-
Cash and cash equivalents at the beginning of the reporting period		66	83	66
Cash and cash equivalents at the end of the reporting period		<u>343</u>	<u>66</u>	<u>66</u>

The above statement should be read in conjunction with the accompanying notes.

Overview

Objectives of the Climate Change Authority

The Climate Change Authority (the authority) is an independent statutory body established under the Climate Change Authority Act 2011 to provide expert advice to the Australian Government on climate change policy.

The authority plays an important role in the governance of Australia's climate change mitigation policies including by providing independent advice on:

- the preparation of the Annual Climate Change Statement to Parliament; and
- greenhouse gas emissions reduction targets to be included in new or adjusted nationally determined contributions (NDC).

The authority also undertakes reviews and makes recommendations on:

- the Carbon Farming Initiative (Emissions Reduction Fund),
- the National Greenhouse and Energy Reporting System, including the Safeguard Mechanism.
- other matters as requested by the Minister responsible for climate change or the Australian Parliament.

The authority is structured to meet a single outcome:

Provide expert advice to the Australian Government on climate change initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research.

Activities contributing toward this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the authority in its own right.

Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- *The Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) made under the PGPA Act; and
- Australian Accounting Standards and Interpretations – Simplified Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities carried at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

New Australian Accounting Standards

New and modified Australian Accounting Standard Requirements

All new and modified standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the authority's financial statements.

All new and modified standards and interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on the authority's financial statements.

Taxation

The authority is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events after the Reporting Period

Subsequent to the reporting period, on 1 July 2023, the authority entered into a significant lease agreement for office premises to accommodate its increased workforce at level 5, 7 London Circuit Canberra City with ISPT. The lease agreement has a term of 5 years and will require the Authority to make monthly payments. The agreement includes a lease incentive of a contribution towards the construction of an office fit out.

The impact of this lease agreement on the authority's financial statements will be reflected in the 2023-24 reporting period. The authority will recognise the lease liability on the balance sheet and the related right-of-use asset.

Budget Variance Commentary

The financial statements provide a comparison of the original budget as presented in the 2022-23 October Portfolio Budget Statements (PBS) to the 2022-23 final outcome, in accordance with the Australian Accounting Standards for the Authority. The Budget is not audited.

Variances are considered to be 'major' based on the following criteria:

- (a) The variance between budget and actual is greater than +/-10% of the budget for the line item; or
- (b) The variance between budget and actual is greater than +/-2% of the sub-total (i.e. total expenses, total income, total assets or total liabilities); or
- (c) The variance between budget and actual is below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the entity.

Item	Variance %	Variance \$'000	Explanation
Statement of Comprehensive Income			
Employee benefits	-17%	(1,127)	Line Item - Lower than budgeted due to the delays in recruiting and onboarding staff to restore the Authority's resource capacity to undertake its new and increased functions.
Suppliers	57%	1,048	Line Item - Higher than budgeted due to increased engagement of professional services to assist undertaking the Authority's new functions, increase consultation and engagement with the community and complete self-initiated research reports.
Payments from Australian Government Entities	Item Not budgeted	100	Line item - Higher than budget due to funding received from the Clean Energy Regulator to contribute to the Authority's Australian Carbon Sequestration Potential self-initiated research report.
Other revenue	Item Not budgeted	237	Line Item - Higher than budgeted due to resources received free of charge under formal arrangements from the Portfolio Department and ISPT in a temporary location ahead of completing a leasehold fit-out and DISR's contribution to fund the interest component of the issues identified with historic voluntary redundancies payments.
Total own-source revenue	Item Not budgeted	337	Total - is higher than budget by 100% or \$0.337 million related to funding received from the Clean Energy Regulator to contribute to the Authority's Australian Carbon Sequestration Potential self-initiated research report, resources received free of charge under formal arrangements and DISR's contribution to fund the interest component of issues identified with historic voluntary redundancies payments.
Statement of Financial Position			
Cash and cash equivalents	420%	277	Line Item - Variance is due to decision to hold a higher cash reserve in the Authority's bank account for contingency purposes.

Trade and other receivables	330%	4,728	Line Item - Variance is due to carrying a large operating appropriation receivables balance as the Authority continues to use prior year remaining balances, underutilisation of equity injection funds due to delays in completing office fit-out and other receivables including leave liabilities from increased workforce and funding from the Portfolio Department to support the delivery of the targets advice.
Total financial assets	334%	5,005	Total - Higher than budget by 334% or \$5,005 million due mainly to the entity carrying a larger than budgeted appropriation receivable balance and operating receivables.
Leasehold improvements	-97%	(1,645)	Line Item - Variance is due to delays in sourcing an appropriate premise to accommodate and undertake a fit-out to house the Authority's workforce. The amount recognised (45k) is the Authority's work-in-progress balance of its leasehold improvement consisting primarily of design and architecture services.
Total non-financial assets	-97%	(1,644)	Total - Lower than budgeted by 97% or \$1,644 million due to delays in undertaking an office fit-out and acquiring the associated property, plant & equipment asset (completed leasehold improvement).
Total Assets	105%	3,361	Total - Higher than budgeted by 105% or 3,361 due mainly to the entity carrying a larger than budgeted appropriation receivable balance and operating (supplier) receivables.
Suppliers	654%	1,077	Line Item - Variance is due to the timing of receipt of invoices and payments.
Other payables	176%	720	Line Item - Variance due mainly to employee payables for the accrual of salary, voluntary redundancy remediation payments and recognition of contract liabilities to the Portfolio Department to complete work related to an upcoming Special Review and Target advice.
Total payables	491%	1,797	Total - Higher than budgeted by 491% or \$1,797 million mainly due to timing of receipt of invoices and payments to suppliers and contract liabilities for work the Authority is due to perform.
Employee provisions	259%	1,148	Line item - Variance due mainly to the engagement and transfer of a large number of staff and their leave balances as part of the Authority's restoration not accounted for at time of October 2023 PBS due to the inability to accurately and reliably calculate estimates.
Total provisions	259%	1,148	Total - Variance due mainly to the engagement and transfer of a large number of staff and their leave balances as part of the Authority's restoration.

Total liabilities	364%	2,945	Total - Higher than budgeted by 364% or \$2,945 million as a result of timing of receipt of invoices and payment, outstanding work due for completion and an increase in employee provisions as a result of recruitment surge to restore the Authority.
Equity			
Total Equity	17%	416	Total - Variance due to retained surplus.
Cash Flow			
Net cash from/(used by) operating activities	Not Applicable	277	Total - Variance is due to drawing of funds to be held in the Authority's bank account for contingency purposes.
Net cash from/(used by) financing activities	-100%	(1,690)	Total - Variance is due to delays in sourcing an appropriate premise to accommodate and undertake a fit-out to house the Authority's workforce. The amount recognised is the Authority's work-in-progress balance of its leasehold improvement consisting primarily of design services with timing of receipt of invoice and payment.
Cash and cash equivalents at the end of the reporting period	420%	277	Total - Variance is due to drawing of funds to be held in the Authority's bank account for contingency purposes.

Financial Performance

This section analyses the financial performance of Climate Change Authority for the year ended 2023.

1.1 Expenses

	2023	2022
	\$'000	\$'000
1.1A: Employee benefits		
Wages and salaries	4,011	1,364
Superannuation		
Defined contribution plans	608	188
Defined benefits plans	120	51
Leave and other entitlements	702	247
Other employee expenses ¹	63	14
Total employee benefits	5,504	1,864

¹Includes component of \$49k of interest payable related to interest calculated on the superannuation component of historic voluntary redundancy payments, made by the authority through its shared services payroll provider Department of Industry, Science and Resources (DISR).

Accounting Policy

Accounting policies for employee related expenses is contained in the People and Relationships section.

1.1B: Suppliers

Consultants	200	433
Professional Services	1,473	-
Contractors	103	390
Audit services	62	62
Travel	83	12
Legal	32	-
Administrative services under MoU	390	116
Staffing & recruitment expenses	277	33
Property and related expenses	149	124
Subscriptions	44	28
Other	48	26
Totals goods and services supplied or rendered	2,861	1,224
Goods supplied	88	30
Services rendered	2,773	1,194
Total goods and services supplied or rendered	2,861	1,224
Other suppliers		
Workers compensation premiums	21	7
Total other suppliers	21	7
Total suppliers	2,882	1,231

1.2 Own-Source Revenue

	2023 \$'000	2022 \$'000
<u>1.2A: Revenue from Other Australian Government Entities</u>		
Rendering of Services	100	500
Total Payments from Australian Government Entities	100	500
Major product / service line:		
Research services	100	500
	100	500

Accounting Policy

Funding received or receivable from other non-corporate Commonwealth entities (appropriated to the relevant entity) for rendering of services is recognised as Revenue from Other Australian Government Entities by the authority.

1.2B: Other Revenue

Resources received free of charge		
Remuneration of auditors	62	62
Accommodation	139	106
Other Revenue ¹	36	-
Total other revenue	237	168

¹ The Department of Industry, Science and Resources contributed to the interest expense payable on the superannuation component of historic voluntary redundancy payments made on the authority's behalf as the payroll shared service provider.

Accounting Policy**Resources Received Free of Charge**

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined, and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

1.2C: Revenue from Government

Appropriations		
Departmental appropriations	8,465	2,584
Total revenue from Government	8,465	2,584

Accounting Policy

The authority receives its revenue through direct appropriations. Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the entity gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Equity injection funding is recognised directly in contributed equity in the year received.

Financial Position This section analyses the Climate Change Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.1 Financial Assets

	2023	2022
	\$'000	\$'000
2.1A: Cash and cash equivalents		
Cash on hand or on deposit	343	66
Total cash and cash equivalents	343	66
2.1B: Trade and other receivables		
Appropriation receivables		
Appropriation receivable	5,053	1,329
Total appropriation receivables	5,053	1,329
Other receivables		
Other receivables	1,069	63
GST receivable from the Australian Taxation Office	38	40
Total other receivables	1,107	103
Total trade and other receivables (gross)	6,160	1,432

Credit terms for goods and services were within 30 days (2022: 30 days).

Accounting Policy

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

2.2 Non-Financial Assets

2.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

Reconciliation of the opening and closing balances of property, plant and equipment for 2023

	Leasehold Improvements	Total
	\$'000	\$'000
As at 1 July 2022		
Gross book value	-	-
Accumulated depreciation, amortisation and impairment	-	-
Total as at 1 July 2022	-	-
Additions		
Purchase	45	45
Total as at 30 June 2023	45	45

	Leasehold Improvements \$'000	Total \$'000
Total as at 30 June 2023 represented by		
Gross book value	45	45
Accumulated depreciation, amortisation and impairment	-	-
Total as at 30 June 2023	45	45

In 2023, the carrying amount of property, plant and equipment included \$45k (2022: \$0) relating to expenditure incurred in the course of construction for the new office fit-out.

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset.

Impairment

All assets were assessed for impairment at 30 June 2023.

Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

2.3 Payables

	2023	2022
	\$'000	\$'000
2.3A: Suppliers		
Trade creditors and accruals	1,318	241
Total suppliers	1,318	241
2.3B: Other payables		
Salaries and wages	227	50
Superannuation	69	-
Unearned income	500	-
Other Payables	49	75
Total other payables	845	125

Funding This section identifies the Climate Change Authority's funding structure.

3.1 Appropriations**3.1A: Annual Appropriations for 2022****Annual Appropriations for 2023**

	Annual Appropriation ¹	Adjustments to appropriation ²	Total appropriation	Appropriation applied in 2023 (current and prior years)	Variance ³
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services	8,465	257	8,722	6,411	2,311
Equity Injections	1,690	-	1,690	-	1,690
Total departmental	10,155	257	10,412	6,411	4,001

1. There were no amounts quarantined or Section 51 adjustments in the current financial year.

2. Adjustments to appropriations includes funding received by the authority through payments from other Australian Government Entities that has been applied under section 74 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and employee leave transfer receipts retained under s74 of the PGPA Act.

3. Variances are due to drawdowns against prior year appropriations and undrawn current year appropriations

Annual Appropriations for 2022

	Annual Appropriation	Adjustments to appropriation ¹	Total appropriation	Appropriation applied in 2022	Variance ²
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental Ordinary annual services	2,584	693	3,277	2,769	508
Total departmental	2,584	693	3,277	2,769	508

1. Adjustments to appropriations includes funding received by the authority through payments from other Australian Government Entities that has been applied under section 74 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and employee leave transfer receipts retained under s74 of the PGPA Act.

2. Variances are due to drawdowns against prior year appropriations and undrawn current year appropriations

3. There were no departmental capital budget amounts in the previous financial year.

3.1B: Unspent annual appropriations ('recoverable GST exclusive')

	2023 \$'000	2022 \$'000
Departmental		
Appropriation Act (No. 1) 2021-22	-	1,329
Appropriation Act (No. 1) 2022-23	3,363	-
Appropriation Act (No. 2) 2022-23	1,690	-
Cash at Bank	343	66
Total departmental	5,396	1,395

People and relationships This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

4.1 Employee Provisions

	2023 \$'000	2022 \$'000
4.1: Employee provisions		
Leave	1,591	443
Total employee provisions	1,591	443

Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by use of the Australian Government Actuary's shorthand method using the Standard Commonwealth sector probability profile. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

The authority recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. There were no redundancy payments in 2022-23.

Superannuation

The entity's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The authority makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The authority accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

4.3 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The entity has determined the key management personnel to be the Chief Executive Officer and 3 General Managers. Key management personnel remuneration is reported in the table below:

	2023 \$'000	2022 \$'000
Short-term employee benefits		
Salary	994	320
Performance bonus	-	-
Allowances & benefits	7	4
Total short-term employee benefits	1,001	324
Post-employment benefits		
Superannuation	149	50
Total post-employment benefits	149	50
Other long-term employee benefits		
Long service leave accrued	73	(4)
Total other long-term employee benefits	73	(4)
Termination benefits	-	-
Total key management personnel remuneration expenses¹	1,223	370

The total number of key management personnel that are included in the above table are 4 (2022: 1). This reflects the increase in functions and resources for the restored authority, approved in the October 2022-23 budget.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

4.2 Related Party Disclosures

Related party relationships:

The authority is an Australian Government controlled entity. Related parties to the authority are Key Management Personnel including the Portfolio Minister, the Chief Executive Officer and 3 General Managers.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the authority in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note.

There were no significant transactions with related parties during the year. All related party transactions were in the ordinary course of business and do not require separate disclosure (2022: Nil).

Managing uncertainties This section analyses how the Climate Change Authority manages financial risks within its operating environment.

5.1: Contingent assets and liabilities

Quantifiable Contingencies

The authority had no quantifiable contingencies at either 30 June 2023 or 2022.

Unquantifiable Contingencies

The authority had no unquantifiable contingencies at either 30 June 2023 or 2022.

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Other information

6.1 Current/non-current distinction for assets and liabilities

	2023 \$'000	2022 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	343	66
Trade and other receivables	6,160	1,444
Prepayments	13	-
Total no more than 12 months	6,516	1,510
More than 12 months		
Leasehold Improvements	45	-
Total more than 12 months	45	-
Total assets	6,561	1,510
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	1,818	241
Other payables	345	125
Employee provisions	306	88
Total no more than 12 months	2,469	454
More than 12 months		
Employee provisions	1,285	355
Total more than 12 months	1,285	355
Total liabilities	3,754	809

APPENDIX B: KEY MANAGEMENT PERSONNEL

NAME	POSITION	TERMS KMP
Mr Brad Archer	Chief Executive Officer	Full year
Mrs Eliza Murray	General Manager	Full year
Mr Matthew Searson	General Manager	Part year - Appointed 14 July 2022
Mrs Samantha MacCready	General Manager/Chief Finance Officer	Part year - Appointed 1 November 2022

KEY MANAGEMENT PERSONNEL REMUNERATION:

Name	Position	SHORT TERM BENEFITS			POST EMPLOYMENT BENEFITS			OTHER LONG TERM BENEFITS			Total Remuneration (\$)
		Base Salary (\$)	Bonuses (\$)	Other benefits allowances (\$)	Superannuation Contributions (\$)	Long Service Leave (\$)	Other long term benefits (\$)	Termination Benefits (\$)			
Mr Brad Archer	CEO	319,074	-	1,955	50,587	9,317	-	-	-	380,933	
Mrs Eliza Murray	General Manager	234,730	-	1,955	36,195	6,671	-	-	-	279,552	
Mr Matthew Searson	General Manager	227,791	-	1,398	31,864	48,735	-	-	-	309,789	
Mrs Samantha MacCready	General Manager/CFO	212,332	-	1,955	30,550	8,315	-	-	-	253,152	
Total		993,927	-	7,265	149,196	73,038	-	-	-	1,223,426	

APPENDIX C: STAFFING STATISTICS

All Ongoing Employees Current Report Period (2022-23)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
ACT	17	4	21	18	2	20	0	0	0	0	0	0	41
NSW	0	1	1	2	0	2	0	0	0	0	0	0	3
QLD	0	0	0	1	0	1	0	0	0	0	0	0	1
SA	1	0	1	1	1	2	0	0	0	0	0	0	3
TAS	1	0	1	0	0	0	0	0	0	0	0	0	1
VIC	2	0	2	3	2	5	0	0	0	0	0	0	7
<i>Total</i>	21	5	26	25	5	30	0	0	0	0	0	0	56

All Non-Ongoing Employees Current Report Period (2022-23)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
ACT	1	0	1	3	0	3	0	0	0	0	0	0	4
VIC	0	0	0	1	0	1	0	0	0	0	0	0	1
<i>Total</i>	1	0	1	4	0	4	0	0	0	0	0	0	5

All PSA Ongoing Employees Current Report Period (2022-23)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
EL 2	4	2	6	5	2	7	0	0	0	0	0	0	13
EL 1	7	2	9	8	1	9	0	0	0	0	0	0	18
APS 6	6	1	7	6	2	8	0	0	0	0	0	0	15
APS 5	2	0	2	3	0	3	0	0	0	0	0	0	5
APS 4	1	0	1	2	0	2	0	0	0	0	0	0	3
Other	1	0	1	0	0	0	0	0	0	0	0	0	1
<i>Total</i>	21	5	26	24	5	29	0	0	0	0	0	0	55

All PSA Non-Ongoing Employees Current Report Period (2022-23)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
EL 2	0		0	1	0	1	0	0	0	0	0	0	1
EL 1	0	0	0	1	0	1	0	0	0	0	0	0	1
APS 6	1	0	1	2	0	2	0	0	0	0	0	0	3
Total	1	0	1	4	0	4	0	0	0	0	0	0	5

All PSA Employees by Full time and Part time Status Current Report Period (2022-23)

	Ongoing			Non-Ongoing			Total
	Full time	Part time	Total Ongoing	Full time	Part time	Total Non-Ongoing	
EL 2	9	4	13	1	0	1	
EL 1	15	3	18	1	0	1	19
APS 6	12	3	15	3	0	3	18
APS 5	5	0	5	0	0	0	5
APS 4	3	0	3	0	0	0	3
Other	1	0	1	0	0	0	1
Total	45	10	55	5	0	5	60

All PSA Employees by location for the Current Report Period (2022-23)

	Ongoing	Non-Ongoing	Total
ACT	40	4	44
NSW	3	0	3
QLD	1	0	1
SA	3	0	3
TAS	1	0	1
VIC	7	1	8
Total	55	5	60

PSA Indigenous Employment Current Report Period (2022-23)

	Total
Ongoing	0
Non-Ongoing	0
Total	0

PSA Employment Arrangements Current Report Period (2022-23)

	SES	Non-SES	Total
DCCEEW Enterprise Agreement 2011–2014	0	43	43
Individual Flexibility Arrangements	0	17	17
Total	0	60	60

All Ongoing Employees Previous Report Period (2021-22)

	Male			Female			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	
NSW	0	0	0	1	0	1	1
Qld	0	0	0	1	0	1	1
ACT	2	1	3	5	0	5	8
Total	2	1	3	7	0	7	10
Classification							
SES 1	0	0	0	1	0	1	1
EL 2	0	0	0	2	0	2	2
EL 1	0	0	0	2	0	2	2
APS 6	1	1	2	2	0	2	4
Other	1	0	1	0	0	0	1
TOTAL	2	1	3	7	0	7	10

All Ongoing APS Employees Previous Report Period (2021-22)

	Male			Female			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	
NSW	0	0	0	1	0	1	1
Qld	0	0	0	1	0	1	1
ACT	2	1	3	4	0	4	7
<i>Total</i>	2	1	3	6	0	6	9
Classification							
EL 2	0	0	0	2	0	2	2
EL 1	0	0	0	2	0	2	2
APS 6	1	1	2	2	0	2	4
Other	1	0	1	0	0	0	1
<i>TOTAL</i>	2	1	3	6	0	6	9

All Non-Ongoing APS Employees Previous Report Period (2021-22)

	Male			Female			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	
ACT	1	0	1	2	0	2	3
<i>Total</i>	1	0	1	2	0	2	3
Classification							
EL 1	1	0	1	0	0	0	1
APS 6	0	0	0	2	0	2	2
<i>TOTAL</i>	1	0	1	2	0	2	3

As at 30 June 2022, the Authority had no employees identified themselves as Indigenous; and no employees identified their gender as indeterminate.

APPENDIX D: LIST OF REQUIREMENTS

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AD(g)	Letter of transmittal			
17AI		A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	v
17AD(h)	Aids to access			
17AJ(a)		Table of contents.	Mandatory	vi
17AJ(b)		Alphabetical index.	Mandatory	75
17AJ(c)		Glossary of abbreviations and acronyms.	Mandatory	73-74
17AJ(d)		List of requirements.	Mandatory	64-70
17AJ(e)		Details of contact officer.	Mandatory	iv
17AJ(f)		Entity's website address.	Mandatory	iv
17AJ(g)		Electronic address of report.	Mandatory	iv
17AD(a)	Review by accountable authority			
17AD(a)		A review by the accountable authority of the entity.	Mandatory	1-2
17AD(b)	Overview of the entity			
17AE(1)(a)(i)		A description of the role and functions of the entity.	Mandatory	8
17AE(1)(a)(ii)		A description of the organisational structure of the entity.	Mandatory	9
17AE(1)(a)(iii)		A description of the outcomes and programmes administered by the entity.	Mandatory	9
17AE(1)(a)(iv)		A description of the purposes of the entity as included in corporate plan.	Mandatory	8
17AE(1)(aa)(i)		Name of the accountable authority or each member of the accountable authority	Mandatory	3-7
17AE(1)(aa)(ii)		Position title of the accountable authority or each member of the accountable authority	Mandatory	3-7
17AE(1)(aa)(iii)		Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	3-7
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments, mandatory	N/A

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AE(2)		Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, mandatory	N/A
17AD(c)	Report on the Performance of the entity			
	Annual performance Statements			
17AD(c)(i); 16F		Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	10-21
17AD(c)(ii)	Report on Financial Performance			
17AF(1)(a)		A discussion and analysis of the entity's financial performance.	Mandatory	29
17AF(1)(b)		A table summarising the total resources and total payments of the entity.	Mandatory	29
17AF(2)		If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, mandatory.	N/A
17AD(d)	Management and Accountability			
	Corporate Governance			
17AG(2)(a)		Information on compliance with section 10 (fraud systems).	Mandatory	22
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments plans have been prepared.	Mandatory	v
17AG(2)(b)(ii)		A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	v
17AG(2)(b)(iii)		A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	v

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	22-23
17AG(2)(d) – (e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, mandatory	N/A
Audit Committee				
17AG(2A)(a)		A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	24
17AG(2A)(b)		The name of each member of the entity's audit committee.	Mandatory	24-26
17AG(2A)(c)		The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	24-26
17AG(2A)(d)		Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	24-26
17AG(2A)(e)		The remuneration of each member of the entity's audit committee.	Mandatory	24-26
External Scrutiny				
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	27
17AG(3)(a)		Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, mandatory	27
17AG(3)(b)		Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, mandatory	27
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period.	If applicable, mandatory	27
Management of Human Resources				
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	33-36
17AG(4)(aa)		Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees;	Mandatory	60-63

PGPA Rule Reference	Part of Report	Description	Requirement	Page
		(b) statistics on part-time employees; (c) statistics on gender (d) statistics on staff location.		
17AG(4)(b)		Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> <input type="checkbox"/> Statistics on staffing classification level; <input type="checkbox"/> Statistics on full-time employees; <input type="checkbox"/> Statistics on part-time employees; <input type="checkbox"/> Statistics on gender; <input type="checkbox"/> Statistics on staff location; <input type="checkbox"/> Statistics on employees who identify as Indigenous. 	Mandatory	60-63
17AG(4)(c)		Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	33
17AG(4)(c)(i)		Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	33
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	33
17AG(4)(c)(iii)		A description of non-salary benefits provided to employees.	Mandatory	34-36
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay.	If applicable, mandatory	N/A
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, mandatory	N/A
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, mandatory	N/A
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, mandatory	N/A
	Assets Management			
17AG(5)		An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	27

PGPA Rule Reference	Part of Report	Description	Requirement	Page
	Purchasing			
17AG(6)		An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	30
	Reportable consultancy contracts			
17AG(7)(a)		A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	31
17AG(7)(b)		A statement that “ <i>During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]</i> ”.	Mandatory	31
17AG(7)(c)		A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	31
17AG(7)(d)		A statement that “ <i>Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.</i> ”	Mandatory	31
	Reportable non-consultancy contracts			
17AG(7A)(a)		A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	31
17AG(7A)(b)		A statement that “ <i>Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.</i> ”	Mandatory	31

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AD(daa)		<i>Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts</i>		
17AGA		Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	31-32
		<i>Australian National Audit Office Access Clauses</i>		
17AG(8)		If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, mandatory	N/A
		<i>Exempt contracts</i>		
17AG(9)		If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, mandatory	30
		<i>Small business</i>		
17AG(10)(a)		A statement that " <i>[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises and Small Enterprise participation statistics are available on the Department of Finance's website.</i> "	Mandatory	30
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	30
17AG(10)(c)		If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that " <i>[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government</i>	If applicable, mandatory	N/A

PGPA Rule Reference	Part of Report	Description	Requirement	Page
		<i>Payments to Small Business are available on the Treasury's website."</i>		
	Financial Statements			
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	37-58
	Executive Remuneration			
17AD(da)		Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	59
17AD(f)	Other Mandatory Information			
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that <i>"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."</i>	If applicable, mandatory	N/A
17AH(1)(a)(ii)		If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, mandatory	30
17AH(1)(b)		A statement that <i>"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."</i>	If applicable, mandatory	30
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	35
17AH(1)(d)		Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	27
17AH(1)(e)		Correction of material errors in previous annual report	If applicable, mandatory	N/A
17AH(2)		Information required by other legislation	Mandatory	27-28, 35

GLOSSARY

TERM	MEANING
Adaptation	The process of adjustment from the environment, economy and wellbeing of a population to actual or expected climate and its effects, in order to moderate harm or exploit beneficial opportunities. For natural systems, human intervention may facilitate adjustment to expected climate and its effects." (source: IPCC AR6)
AusTender	Provides centralised publication of Commonwealth Government business opportunities, annual procurement plans, multi-use lists and contracts awarded by government agencies.
Authority members	The authority comprises eight part-time members (including the Chair) and the Chief Scientist (ex officio). Members are appointed by the Minister responsible for climate change under s. 18 of the <i>Climate Change Authority Act 2011</i> .
Carbon Farming Initiative	An Australian carbon offset scheme that credits emissions reductions from certain sources.
Carbon sequestration	The process of storing carbon in a carbon pool.
Climate Change Authority	Established on 1 July 2012 to provide independent advice to the Minister responsible for climate change and the Parliament on climate change policies.
Clean Energy Regulator	An independent statutory authority that administers regulatory schemes relating to clean energy, including the Renewable Energy Target, the Carbon Pricing Mechanism (now repealed), the National Greenhouse and Energy Reporting scheme, the Carbon Farming Initiative and the Emissions Reduction Fund.
Department of Climate Change and Energy Efficiency Enterprise Agreement 2011–2014	The collective agreement of the former Department of Climate Change and Energy Efficiency; sets the terms and conditions of employment for all nonSES authority staff.
Department of Industry, Science, Energy and Resources	Helps to drive economic growth, productivity and competitiveness by bringing together industry, energy, resources, science, skills and business.
Emissions Reduction Fund	A scheme resulting from the expansion of, streamlining and other changes to the CFI in December 2014. The ERF involves purchases of ACCUs by the Government.
Emissions Reduction Target	Australia's goal for national emissions in a specific year.
Mitigation	A reduction in the source of greenhouse gases or enhancement of the sequestration (removals) for greenhouse gases.
National Greenhouse and Energy Reporting Scheme	Introduced in 2007, the scheme provides a single national framework for corporations to report on greenhouse gas emissions, energy use and energy production. Corporations that meet a National Greenhouse and Energy Reporting threshold must register and then report each year.
Nationally Determined Contribution	Represent the commitments of each country to reduce greenhouse gas emissions and adapt to climate change. They were agreed to by countries during the Climate Change Conference of the Parties (COP) in Paris in 2015, a commitment known as 'The Paris Agreement'

Paris Agreement	The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to preindustrial levels
Remuneration Tribunal	An independent statutory authority established under the <i>Remuneration Tribunal Act 1973</i> that sets the remuneration for key Commonwealth offices.
Renewable Energy Target	Operates in two parts—the Small-scale Renewable Energy Scheme and the Large-scale Renewable Energy Target.

ABBREVIATIONS

AO	Officer of the Order of Australia APSC Australian Public Service Commission
APS	Australian Public Service
authority	Climate Change Authority
CCA Act	<i>Climate Change Authority Act 2011</i>
CFI	Carbon Farming Initiative
Climate Change Act	<i>Climate Change Act 2022</i>
COP	Conference of the Parties
CRC CARE	Australian Co-operative Research Centre Contamination Assessment and Remediation of the Environment Cooperative Research Centre Contamination Assessment and Remediation of the Environment
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DCCEEW	Department of Climate Change, Energy, the Environment and Water
DISR	The Department of Industry, Science and Resources
FOI Act	<i>Freedom of Information Act 1982</i>
GST	Goods and Services Tax
IPCC	Intergovernmental Panel on Climate Change
KMP	Key Management Personnel
KPI	Key Performance Indicator
LANDTEM	Transient Electro-Magnetic Method of Mineral Prospecting
MoU	Memorandum of Understanding
MP	Member of Parliament
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PSA	<i>Public Service Act 1999</i>
PSM	Public Service Medal
RAP	Reconciliation Action Plan

SES	Senior Executive Service
STEM	Science Technology Engineering and Mathematics
WHS	Work Health Safety

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